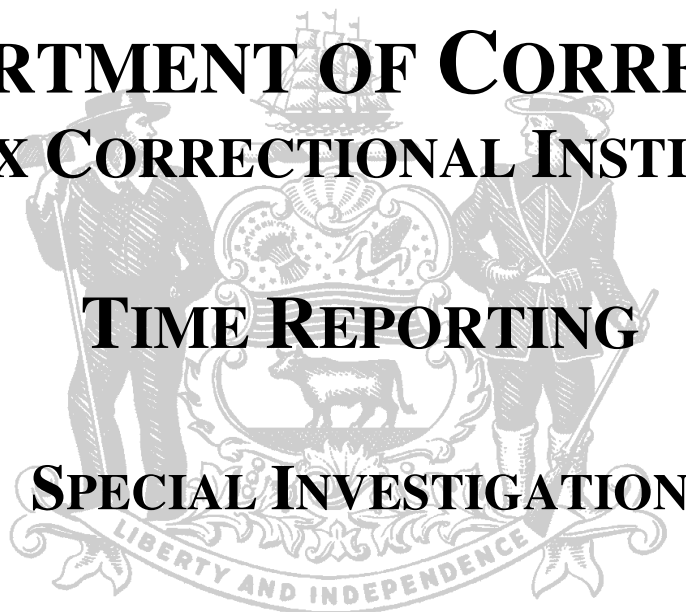


STATE OF DELAWARE
OFFICE OF
AUDITOR OF ACCOUNTS

DEPARTMENT OF CORRECTION
SUSSEX CORRECTIONAL INSTITUTION



TIME REPORTING

SPECIAL INVESTIGATION

FIELDWORK END DATE: FEBRUARY 10, 2007

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EXECUTIVE SUMMARY

ALLEGATION

The Office of Auditor of Accounts (AOA) received the following allegations regarding the Department of Correction, Sussex Correctional Institution (SCI) in Georgetown:

1. During normal work hours, Lieutenants and Sergeants perform payroll related functions. Although the services are provided during normal work hours, compensatory time is granted.
2. SCI employees pay other SCI employees to work their assigned shifts. Leave records do not reflect time off.

BACKGROUND

The Department of Correction's (DOC) mission is to protect the public by supervising adult offenders by directing them to treatment, education, and work programs. DOC employs over 2,000 officers and staff in three bureaus, Management Services, Prisons, and Community Corrections. The Bureau of Prisons operates five facilities housing offenders incarcerated by court order. Sussex Correctional Institution is one of these facilities.

Compensatory time at SCI is governed by the State of Delaware Merit Rules, Chapter 4 Section 13, in conjunction with DOC's internal policies and procedures.

CONCLUSIONS AND OBSERVATIONS

The allegation that Lieutenants and Sergeants earn compensatory time for payroll related functions provided during normal work hours, is unsubstantiated. However, AOA determined (a) there were no written policies and procedures related to compensatory time, (b) documentation supporting compensatory time earned and taken was insufficient, did not exist, and/or was inconsistent.

Allegation 2 is partially substantiated in that timecards and paychecks do not accurately reflect the actual hours worked by SCI employees. AOA was unable to determine if the allegation regarding whether employees pay one another to cover shifts was substantiated. Interviews were inconclusive and documentation regarding payments did not exist.

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Audit Authority

Title 29, Del. C. c. 29 authorizes the Auditor of Accounts to file written reports containing:

1. Whether all expenditures have been for the purpose authorized in the appropriations;
2. Whether all receipts have been accounted for and paid into the State Treasury as required by law;
3. All illegal and unbusinesslike practices;
4. Recommendations for greater simplicity, accuracy, efficiency and economy; and
5. Such data, information, and recommendations as the Auditor of Accounts may deem advisable and necessary.

ALLEGATION AND BACKGROUND

ALLEGATION

The Office of Auditor of Accounts (AOA) received the following allegations regarding the Department of Correction, Sussex Correctional Institution (SCI) in Georgetown:

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BACKGROUND

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Compensatory time at SCI is governed by the State of Delaware Merit Rules, Chapter 4 Section 13, in conjunction with DOC's internal policies and procedures.

The State of Delaware Merit Rules, Chapter 4 Section 13 states:

- 4.13.1 FLSA-covered employees with a standard work week of 37.5 hours who are authorized to perform overtime service shall be paid at 1.5 times their regular rate for each hour worked after 37.5 hours per week. FLSA-covered employees with a standard work week of 40 hours who are authorized to perform overtime service shall be paid at 1.5 times their regular rate for each hour worked after 40 hours. The form of pay, time off or cash, is at agency discretion and shall be agreed to in advance.
- 4.13.2 Any authorized service in excess of the standard work week or work schedule allowed by the FLSA shall be overtime service. Employees working flexible schedules shall be paid for overtime service in accordance with that schedule and not the standard schedule of 37.5 or 40 hours per week.
- 4.13.4 Hours worked includes paid leave plus hours actually worked by the employee.

OBJECTIVES, SCOPE, & METHODOLOGY

OBJECTIVES

The objectives of the investigation were:

1. Determine the propriety of compensatory time earned by Lieutenants and Sergeants.
2. Determine if timecards and paychecks reflect the actual hours worked.

SCOPE

The investigation was performed in accordance with the President's Council on Integrity and Efficiency, *Quality Standards for Investigations*.

Compensatory time records were reviewed for the period of January 2006 through August 2006.

METHODOLOGY

Investigative techniques included:

- Interviews and inquiry.
- Inspection and confirmation of documentation.

The investigation consisted of the following procedures:

- Identify relevant sections of the State of Delaware Merit Rules, DOC policies and procedures, and SCI policies and procedures.
- Obtain and review time records, compensatory leave forms, shift trade request forms, and supporting documentation.
- Conduct interviews.

CONCLUSIONS AND RECOMMENDATIONS

ALLEGATION 1: During normal work hours, Lieutenants and Sergeants perform payroll related functions. Although the services are provided during normal work hours, compensatory time is granted.

This allegation was unsubstantiated. It was determined that Lieutenants and Sergeants earned compensatory time for payroll related services that could not be completed within normal working hours. However, during the investigation, AOA identified several weaknesses in SCI's compensatory time processes:

- SCI does not have written policies and procedures regarding compensatory time, including earning, recording, and monitoring compensatory time;
- Documentation supporting compensatory time earned and compensatory time taken was insufficient, did not exist, and/or was inconsistent with information documented on timecards; and
- Due to the lack of established policies and procedures, Sergeants and Lieutenant were not consistent in the manner in which compensatory time was documented.

Recommendation

SCI should:

- Develop policies and procedures regarding compensatory time, including earning, recording, and monitoring;
- Maintain adequate supporting documentation for compensatory time earned and taken. This documentation should include the purpose of the compensatory time (e.g. training, medical runs, shift covers), the date(s) the compensatory was earned, and the actual time period during which the compensatory was earned (e.g. from 8 a.m. to 2 p.m.);
- Require that compensatory time be requested by the employee and approved by a supervisor prior to the actual occurrence of the compensatory time; and
- Require that time cards reflect actual hours worked, including compensatory time, and actual leave taken (e.g. sick, annual, compensatory).

Auditee Response:

SCI will develop clear policies and procedures regarding compensatory time, including earning, recording and monitoring compensatory time. Policies and procedures to include prior approval of all compensatory time by a supervisor. A supervisor's signature on all forms and requests. Compensatory time forms turned into the business office monthly. All compensatory time to be recorded on the form for the actual number of hours worked. The business office will compute the time earned prior to posting on the time cards.

Compensatory time sheets are now maintained in the facility business office. Earned compensatory time is verified, and then posted on the back of the employee time card. The timesheets are filed in the employee's time card file.

Compensatory time forms will have to be approved prior to an employee working for compensatory time.

CONCLUSIONS AND RECOMMENDATIONS

Employee time cards are maintained in the facility business office. All time earned and used is recorded on the time card and verified by the use of the daily employee shift roster, leave slips and earned compensatory time forms. Documentation is kept in the business office until posted on the time card and then it is forwarded to the employee's institutional file.

ALLEGATION 2: SCI employees pay other SCI employees to work their assigned shifts. Leave records do not reflect time off.

This allegation is partially substantiated in that timecards do not accurately reflect the actual hours worked by SCI employees.

DOC and SCI have standard procedures in place for shift changes; however, these policies are not in agreement. The DOC policy requires that shift trades "be accomplished within the same pay period," while the SCI policy does not require the reciprocal shift change be made within a certain period. Per discussions with SCI officials, SCI requires reciprocal shift changes be made within 2 pay periods.

At SCI, employees who wish to change shifts must complete a "Shift Trade Form," detailing the date, shift, original officer assigned to the shift, and the officer filling the shift. This form is submitted to a Watch Commander prior to the occurrence of the shift trade for review and approval. Once the Watch Commander reviews and approves the form, he or she forwards the form to the Deputy Warden. The shift trade form only documents one shift trade; it does not document the reciprocal shift trade. Hence, the form does not allow for an easy reconciliation of shift trades to ensure that each trade is reciprocated.

Timecards do not reflect the actual hours worked by employees. For example, Employee A covers the 12 a.m. to 8 a.m. Monday shift for Employee B. Employee A is normally off on Mondays. Employee A's timecard will reflect that he/she was off on that Monday, even though he/she worked. Employee B's timecard will reflect that he/she worked on that Monday, even though he/she was off. Additional paper files are maintained for each shift, each day. This paperwork identifies who was originally scheduled to work, and when applicable, who covered the shift.

During the pay period of January 8 through January 21, 2006, 87 SCI employees entered into 163 shift trades, resulting in a vast paper trail. The paper system used by SCI to record time, shifts, shift trades, compensatory time, and leave is cumbersome, inefficient, and ineffective. SCI has implemented a process to identify non-reciprocal trades and to discipline accordingly; however, the paper process utilized by SCI significantly impairs this process.

There is a potential issue in that timecards and paychecks do not accurately reflect the actual hours worked. If one employee agrees to cover the shift of another employee and the trade is not reciprocated within a pay period, one employee will have worked 11 days, while the other employee will have worked 9 days. Therefore, one employee would be entitled to overtime or compensatory time and the other would need to take leave or have their pay docked. This does not occur at SCI.

AOA was unable to determine if the allegation regarding whether employees pay one another to cover shifts was substantiated. Interviews were inconclusive and documentation regarding payments did not exist.

CONCLUSIONS AND RECOMMENDATIONS

Recommendation

SCI should:

- Modify policies and procedures to ensure consistency with DOC policies.
- Consult with its Deputy Attorney General to determine the propriety of pay not reflecting the actual hours worked during a pay period.
- Research alternative systems of time reporting, to include computerized systems. The system should be efficient, effective, and include controls to identify exceptions (e.g. non-reciprocal trades; unapproved leave; unapproved compensatory time; etc.)

Auditee Response:

We (SCI) are in the process of modifying SCI policies and procedures to mirror the DOC policy on shift trades.

SCI's new policy will allow only shift trades in the same pay period. It will not be necessary to consult the Attorney General's office.

The Business Office is currently preparing for the use of a computerized time card system called "Time and Labor". This system will begin implementation by April 2007.

DISTRIBUTION OF REPORT

Copies of this report have been distributed to the following public officials:

Executive

The Honorable Ruth Ann Minner, Governor, State of Delaware

Legislative

The Honorable Russell T. Larson, Controller General, Office of the Controller General

Other Elective Offices

The Honorable Joseph R. Biden III, Attorney General, Office of the Attorney General

Other

The Honorable Carl C. Danberg, Commissioner, Department of Correction
Mr. Richard Kearney, Chief, Bureau of Prisons, Department of Correction
Mr. Thomas Carroll, Warden, Delaware Correctional Center
Mr. Mike DeLoy, Deputy Warden, Sussex Correctional Institution